

**BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, PA 19103**

REGIONAL HEARING CLERK
EPA REGION III, PHILADELPHIA, PA

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In the Matter of Sunoco, Inc. 1735 Market Street, Suite LL Philadelphia, PA 19103	: : : : :	Docket No. CAA-03-2015-0098 Proceeding Under Section 113(d) of the Clean Air Act
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CONSENT AGREEMENT

I. Preliminary Statement

1. This Consent Agreement is entered into by the Complainant, the Director of the Air Protection Division, U.S. Environmental Protection Agency ("EPA"), Region III, and Sunoco, Inc. ("Sunoco" or "Respondent"), and is filed with the accompanying Final Order pursuant to Section 113 of the Clean Air Act ("CAA" or the "Act"), as amended, 42 U.S.C. § 7413, and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation or Suspension of Permits, 40 C.F.R. Part 22 (the "Consolidated Rules of Practice"). The Consolidated Rules of Practice, at 40 C.F.R. § 22.13, provide in pertinent part that when parties agree to settlement of one or more causes of action before the filing of a complaint, a proceeding simultaneously may be commenced and concluded by the issuance of a consent agreement and final order pursuant to 40 C.F.R. § 22.18(b)(2) and (3).

2. This Consent Agreement and the accompanying Final Order address the specifically alleged violations by Respondent of New Source Performance Standards ("NSPS") for Petroleum Refineries, 40 C.F.R. Part 60, Subpart J ("Subpart J"), National Emission Standards for Hazardous Air Pollutants ("NESHAP") from Petroleum Refineries, 40 C.F.R. Part 63, Subpart CC ("Subpart CC"), and of Respondent's Title V operating permits related to certain flaring activities at its former petroleum refinery located in Marcus Hook, Pennsylvania and Claymont, Delaware.

II. General Provisions

3. Section 113(a)(3) and (d) of the Act, 42 U.S.C. § 7413(a)(3) and (d), authorizes the Administrator of EPA to issue an administrative order assessing a civil administrative penalty whenever, on the basis of any information available to the Administrator, the Administrator finds that any person has violated, or is in violation of, any requirement, rule, plan, order, waiver, or permit promulgated, issued, or approved under Subchapters I, IV, V and VI [also referred to as Titles I, IV, V and VI] of the Act. Notwithstanding that some of the violations specified in this Consent Agreement occurred longer than twelve months prior to the initiation of this administrative action, EPA and the Attorney General have determined that an administrative

action is appropriate as required by Section 113(d) of the CAA, 42 U.S.C. § 7413(d). The authority to issue the accompanying Final Order has been duly delegated to the Regional Judicial Officer, EPA Region III.

4. For purposes of this proceeding only, Respondent admits the jurisdictional allegations set forth in this Consent Agreement and Final Order and agrees not to contest EPA's jurisdiction with respect to the issuance, execution and enforcement of this Consent Agreement and the accompanying Final Order.

5. Respondent consents to the issuance of this Consent Agreement and the accompanying Final Order and agrees to comply with the terms and conditions set forth therein.

6. Respondent neither admits nor denies the specific findings of fact and conclusions of law set forth in this Consent Agreement and the accompanying Final Order except as otherwise stated in Paragraph 4.

7. Respondent agrees that this Consent Agreement and the accompanying Final Order shall apply to, and be binding upon, Respondent, its officers, directors, servants, employees, agents, successors and assigns.

8. For the purposes of this proceeding, Respondent hereby expressly waives its right to a hearing with respect to any issue of law or fact set forth in this Consent Agreement and the accompanying Final Order, including the finality and/or validity thereof. Respondent hereby expressly waives its right to contest the factual allegations and legal conclusions set forth in Section III, "Findings of Fact and Conclusions of Law," of this Consent Agreement and any right to appeal the accompanying Final Order.

III. Findings of Fact and Conclusions of Law

9. In accordance with 40 C.F.R. §§ 22.13(b) and 22.18(b)(2) and (3), EPA alleges the following findings of fact and conclusions of law:

General

10. Sunoco, Inc., a Pennsylvania corporation, is headquartered at 1735 Market Street, Suit LL, Philadelphia, PA 19103.

11. Sunoco is a "person" as defined by Section 302(e) of the Act. 42 U.S.C. § 7602(e).

12. At all times applicable to this Consent Agreement, Sunoco owned and operated a petroleum refinery located at 100 Green Street, Marcus Hook, PA 19601 (the "Refinery"). The Refinery included operations physically located in both Pennsylvania and Delaware.

13. At all times applicable to this Consent Agreement, the Refinery was a crude oil refinery comprised of two (2) crude oil units, a gasoline desulfurization plant, sulfur plant, BTX chemicals plant, a low desulfurization plant for other products, and supporting facilities.

14. At all times applicable to this Consent Agreement, Sunoco operated three (3) steam assisted flares to control any upsets in the refining processes. These flares are identified as (1) the Main Flare or Ethylene Oxide (EC) Flare, (2) the 10 Plant Flare, and (3) the 12 Plant Flare.

15. The Delaware Department of Natural Resources and Environmental Control (“DNREC”) issued Title V Operating Permit No. AQM-003/00021 (the “Delaware Permit”), effective December 28, 2001, for the portion of the Refinery located in Delaware, which regulated emissions from the EC Flare (referred to in the Delaware Permit as Emission Unit No. 12 Flare (PL1)).

16. On January 23, 2003, the Pennsylvania Department of Environmental Protection (“PADEP”) issued Title V Operating Permit No. 23-00001 (the “Pennsylvania Permit”) for the portion of the Refinery located in Pennsylvania, which regulated emissions from the 10 Plant Flare and the 12 Plant Flare (referred to in the Pennsylvania Permit as Emission Unit No. 105, 10 Plant Flare, and Emission Unit No. 104, 12 Plant Flare, respectively).

17. The Pennsylvania Permit has subsequently been amended/modified numerous times. For purposes of this Consent Agreement, the permit citations, herein, are derived from the permit modification dated December 6, 2006. Similar permit conditions are included in more recent versions of the permit, but their specific paragraph references may have changed.

18. On November 5, 2010, EPA conducted an air compliance evaluation of the flaring activities performed by Sunoco at the Refinery.

19. On February 16, 2011, EPA issued CAA Section 114 Information Requests to Sunoco, to which the company has submitted a response.

20. In September 2011, for business reasons, Sunoco announced that it would temporarily idle the crude refining operations at the Refinery and by December 2011 had begun to permanently shut down those operations. Much of equipment for the crude refining operations has now been demolished and removed. The permits related to the crude refining operations located in Pennsylvania were surrendered in 2012. The permits related to the crude refining operations located in Delaware were cancelled in 2013. The 10 Plant Flare and the 12 Plant Flare were permanently shut down in 2011 and 2012, respectively. The EC Flare in Delaware continues to operate but at a reduced capacity as the crude refining operations have been shut down.

21. In April 2013, Sunoco sold certain assets, including the former refinery portions of the Marcus Hook site, to its sister corporation, Sunoco Logistics Partners, LP (“SXL”). Sunoco Partners Marketing & Terminals L.P. (“SPMT”), a subsidiary of SXL, now

owns and operates portions of the former Marcus Hook refinery site to process, store, and distribute propane and ethane as well as to serve as a terminal for refined product and crude oil. The site includes dock facilities, truck racks, pipeline access, and rail access. SPMT now operates the EC Flare as part of those activities.

Operating Flare Without a Flame Present at all Times

22. In the Pennsylvania Permit, Section D - Source Level Requirements for Source ID No. 105 (10 Plant Flare), Paragraph VI., #006(b) requires that the 10 Plant Flare "shall be operated with a flame present at all times," and identifies that it is subject to 40 CFR §§ 60.18 and 63.11.

23. On July 31, 2009 and August 21, 2009, Sunoco operated the 10 Plant Flare without a flame present at all times.

24. On the dates identified in Paragraph 23, Sunoco violated Section D - Source Level Requirements for Source ID No. 105 (10 Plant Flare), Paragraph VI., #006(b) of the Pennsylvania Permit by operating the 10 Plant Flare without a flame present at all times. These actions constitute violations of the Pennsylvania Permit, 40 CFR §§ 60.18(c)(2) and 63.11(b)(5), and Section 502 of the CAA, 42 U.S.C. § 7661a.

Exit Velocity Requirement

25. In the Pennsylvania Permit, Section D - Source Level Requirements for Source ID No. 105 (10 Plant Flare), Paragraph VI., #006(d) requires that the 10 Plant Flare "shall be designed for and operated with an exit velocity . . . less than 60 ft/sec," and identifies that it is subject to 40 CFR §§ 60.18 and 63.11.

26. On September 11, 2009, Sunoco operated the 10 Plant Flare with an exit velocity greater than 60 ft/sec.

27. On the date identified in Paragraph 26, Sunoco violated Section D - Source Level Requirements for Source ID No. 105 (10 Plant Flare), Paragraph VI., #006(d) of the Pennsylvania Permit by operating the 10 Plant Flare with an exit velocity greater than 60 ft/sec. These actions constitute violations of the Pennsylvania Permit, 40 CFR §§ 60.18(c)(4)(i) and 63.11(7)(b)(i) and Section 502 of the CAA, 42 U.S.C. § 7661a.

Requirement to Operate Flare Within Design Conditions

28. In the Delaware Permit, Condition 3 – Table 1 (Specific Requirements), Section I.1.i.A. requires that Sunoco "at all times, including periods of startup, shutdown, and malfunction, . . . shall, to the extent practicable, maintain and operate the flare and attached units in a manner consistent with good air pollution control practice for minimizing emissions," and identifies that it is subject to 40 CFR 60 Subpart A, § 60.11(d), dated 7/1/00.

29. On the following days, Sunoco operated the EC Flare in a manner that is inconsistent with good air pollution control practice for minimizing emissions:

March 5-6, 2009
April 9 and 10, 2009
May 16, 19, 20, and 30, 2009
June 25, 2009
July 3, 8, 14, 15, and 29, 2009
August 10, 12, 13, and 19, 2009
December 29, 2009

2010

January 31, 2010
February 1, 2010
March 17, 20, and 21, 2010
April 27 and 30, 2010
May 4-6, 8, 10, 11-16, 20-23, and 25 2010
June 2-3, 6-11, and 13-27, 2010
July 4-10, 13, 16, and 23-24, 2010
August 1-3, 5-9, 16-17, and 19-31, 2010
September 1-5 and 14-30, 2010
October 1-9, 11-23, and 25-31, 2010
November 2-16, 20-22, 25, and 28-30, 2010
December 1, 3-7, 9-26, and 28-31, 2010

2011

January 1-2, 5-12, and 22-31, 2011
February 1, 5, 9, 14, 17, and 18, 2011

30. On the dates identified in Paragraph 29, Sunoco violated Condition 3 – Table 1 (Specific Requirements), Section I.1.i.A. of the Delaware Permit by operating the EC Flare in a manner that is inconsistent with good air pollution control practice for minimizing emissions. These actions constitute violations of the Delaware Permit, 40 CFR § 60.11(d) and Section 502 of the CAA, 42 U.S.C. § 7661a.

31. In the Pennsylvania Permit, Section D - Source Level Requirements for Source ID No. 104 (12 Plant Flare), Paragraph VI. #005 requires that the 12 Plant Flare “shall be operated and maintained in conformance with its design,” and that it is subject to 40 CFR § 60.18.

32. On the following days, Sunoco operated the 12 Plant Flare in a manner that is not in conformance with its design:

2009

March 8, 2009
May 18-22, 2009
June 14, 2009
November 6, 2009

2010

May 25-31, 2010
June 1-30, 2010
July 1-31, 2010
August 1-31, 2010
September 1-30, 2010
November 4, 2010

33. On the dates identified in Paragraph 32, Sunoco violated Section D - Source Level Requirements for Source ID No. 104 (12 Plant Flare), Paragraph VI., #005 of the Pennsylvania Permit by operating the 12 Plant Flare in a manner that is not in conformance with its design. These actions constitute violations of the Pennsylvania Permit, 40 CFR § 60.18(d) and Section 502 of the CAA, 42 U.S.C. § 7661a.

IV. Settlement Recitation, Settlement Conditions and Civil Penalty

34. Complainant and Respondent enter into this Consent Agreement and the accompanying Final Order in order to settle and resolve Respondent's liability for federal civil penalties for the violations set forth in Section III (Paragraphs 9 through 33) of this Consent Agreement.

35. In settlement of the Respondent's liability for federal civil penalties for the allegations in Section III, Findings of Fact and Conclusions of Law, of this Consent Agreement and in consideration of each provision of this Consent Agreement and the accompanying Final Order, Respondent consents to the assessment and payment of a civil penalty in the amount of Thirty-five Thousand Dollars (\$35,000.00) within the time and manner specified herein.

36. The settlement amount of Thirty-five Thousand Dollars (\$35,000.00) is based upon Complainant's consideration and application of the statutory penalty factors set forth in Section 113(e) of the Act, 42 U.S.C. § 7413(e) (which include the size of the business, economic impact of the penalty, the violator's full compliance history and good faith efforts to comply, the duration of the violation as established by any credible evidence, the economic benefit of noncompliance, the payment of penalties previously assessed for the same violation, the seriousness of violation and such other matters as justice may require), and EPA's Clean Air Act Stationary Source Civil Penalty Policy (dated October 25, 1991), as indexed for inflation in keeping with 40 C.F.R. Part 19 (Adjustment to Civil Monetary Penalties for Inflation). Complainant has determined that Respondent's payment of this civil penalty shall constitute satisfaction of the Respondent's liability for federal civil penalties for the violations set forth in Section III of this Consent Agreement.

37. Respondent shall pay the civil penalty of Thirty-five Thousand Dollars (\$35,000.00) no later than thirty (30) days after the effective date of this Consent Agreement and accompanying Final Order in order to avoid the assessment of interest, administrative costs, and late payment penalties in connection with such civil penalty as described in this Consent Agreement and accompanying Final Order.

38. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. §13.11, EPA is entitled to assess interest and late payment penalties on outstanding debts owed to the United States and a charge to cover the costs of processing and handling a delinquent claim, as more fully described below. Accordingly, Respondent's failure to make timely payment or to comply with the conditions in this Consent Agreement and Final Order shall result in the assessment of late payment charges including interest, penalties, and/or administrative costs of handling delinquent debts.

39. Interest on the civil penalty assessed in this Consent Agreement and Final Order will begin to accrue on the date that a copy of this executed Consent Agreement and Final Order is mailed or hand-delivered to Respondent. However, EPA will not seek to recover interest on any amount of the civil penalty that is paid within thirty (30) calendar days after the date on which such interest begins to accrue. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. § 13.11(a).

40. The cost of EPA's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue. 40 C.F.R. § 13.11(b). Pursuant to Appendix 2 of EPA's Resources Management Directives - Cash Management, Chapter 9, EPA will assess a \$15.00 administrative handling charge for administrative costs on unpaid penalties for the first thirty (30) day period after the payment is due and an additional \$15.00 for each subsequent thirty (30) days the penalty remains unpaid.

41. A penalty charge of six percent per year will be assessed monthly on any portion of the civil penalty which remains delinquent for more than ninety (90) calendar days. 40 C.F.R. § 13.11(c). Should assessment of the penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. 31 C.F.R. § 901.9(d).

42. Thus, in accordance with the above provisions, to avoid the assessment of interest, late payment penalties, and handling charges on the penalty set forth herein, Respondent must pay the full amount of the civil penalty, in the manner directed, within thirty (30) days of the effective date of this Consent Agreement and accompanying Final Order.

43. Payment of the penalty in Paragraph 35 shall be made by cashier's check, certified check, or electronic transfer, Automated Clearing House ("ACH"), or an on line, internet payment as specified below. All payments shall be made payable to "Treasurer, United States of America," and shall reference the above case caption and docket number (CAA-03-2015-0098). Checks shall be mailed to the attention of:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P. O. Box 979077
St. Louis, MO 63197-9000
Customer service contact (513) 487-2105

Overnight deliveries shall be sent to:

U.S. Environmental Protection Agency
Government Lockbox 979077
Fines and Penalties
1005 Convention Plaza
Mail Station SL-MO-C2GL
St. Louis, MO 63101
Contact: (314) 418-1028

44. All electronic fund transfer ("EFT") payments shall be directed to:

Federal Reserve Bank of New York
ABA = 021030004
Account No. = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York NY 10045

Field Tag 4200 of the Fedwire message should read: "**D 68010727
Environmental Protection Agency**"

45. Payments made by ACH, also known as Remittance Express ("REX") shall be directed to:

U.S Treasury REX/Cashlink ACH Receiver
ABA = 051036706
Account 310006, Environmental Protection Agency
CTX Format Transaction Code 22 - checking

Physical location of U.S. Treasury facility:
5700 Rivertech Court
Riverdale, MD 20737
866-234-5681

46. An on-line, internet payment option, is also available through the United States Department of Treasury. This payment option can be accessed from www.pay.gov/paygov. Enter sfo 1.1 in the search field, open the form, and complete the required fields.

Additional payment guidance is available at:

<http://www2.epa.gov/financial/additonal-instructions-making-payments-epa>

47. At the same time that any payment is made, copies of any corresponding check or written notification confirming any electronic transfer through wire transfer, ACH, or internet payment shall be mailed to Lydia A. Guy, Regional Hearing Clerk (3RC00), U.S. EPA, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103-2029, to Robert Stoltzfus, Senior Assistant Regional Counsel (3RC10), U.S. EPA Region III, 1650 Arch Street, Philadelphia, Pennsylvania, 19103-2029, and to Kris Hall (3AP20), U.S. EPA Region III, 1650 Arch Street, Philadelphia, Pennsylvania, 19103-2029.

48. Respondent agrees not to deduct for federal tax purposes the civil penalty specified in, and any civil penalty amount paid pursuant to, this Consent Agreement and accompanying Final Order.

49. Each party to this action agrees to pay its own costs and attorney fees.

50. Payment of the penalty amount specified in Paragraph 35 in the manner set forth in this Consent Agreement and payment of any applicable interest, handling costs and/or late payment charges as set forth above shall constitute satisfaction of the Respondent's liability for federal civil penalties for the specific violations alleged in Section III of this Consent Agreement. Compliance with this Consent Agreement and accompanying Final Order shall not be a defense to any action commenced at any time for any other violation of any federal laws and regulations administered by EPA.

51. Respondent's failure to make timely payment of the civil penalty or any portion of the civil penalty provided herein may result in referral of this matter to the United States Attorney for enforcement of this Consent Agreement and the accompanying Final Order in the appropriate United States District Court. Additionally, Respondent's failure to make timely payment of the civil penalty or any portion of the civil penalty provided herein may result in the assessment of additional interest, penalties and/or late payment penalty charges.

V. Reservation of Rights

52. This Consent Agreement and the accompanying Final Order resolve only the Respondent's liability for federal civil penalties for the specific violations alleged in Section III of this Consent Agreement. EPA reserves the right to commence action against any person, including Respondent, in response to any condition which EPA determines may present an imminent and substantial endangerment to the public health, public welfare, or the environment. Nor shall anything in this Consent Agreement and Final Order be construed to limit the United

States' authority to pursue criminal sanctions. In addition, this settlement is subject to all limitations on the scope of resolution and to the reservation of rights set forth in 40 C.F.R. § 22.18(c). Further, Complainant reserves any rights and remedies available to it under the Act, the regulations promulgated there under, and any other federal laws or regulations for which Complainant has jurisdiction, to enforce the provisions of this Consent Agreement and accompanying Final Order following its filing with the Regional Hearing Clerk.

VI. Effective Date

53. The effective date of this Consent Agreement and the accompanying Final Order is the date on which the Consent Agreement and Final Order is filed with the Regional Hearing Clerk of EPA Region III.

VII. Entire Agreement

54. This Consent Agreement and the accompanying Final Order constitute the entire agreement and understanding of the parties concerning settlement of the above-captioned action and there are no representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Consent Agreement and the accompanying Final Order. Nothing in this Consent Agreement or the accompanying Final Order shall be construed to affect or limit in any way the obligation of Respondent to comply with all federal, state and local laws and regulations governing any activity required by this Consent Agreement and the accompanying Final Order.

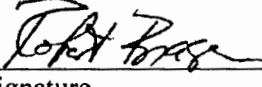
VIII. Execution

55. The person signing this Consent Agreement on behalf of Respondent acknowledges and certifies by his/her signature that he/she is fully authorized to enter into this Consent Agreement and to legally bind Respondent, to the terms and conditions of this Consent Agreement and the accompanying Final Order.

The foregoing Consent Agreement in the Matter of Sunoco, Inc., Docket No. CAA-03-2015-0098 is Hereby Stipulated Agreed, and Approved for Entry.

For Respondent Sunoco, Inc.:

3/20/15
Date


Signature

Printed Name: Robert Brager

Title: Counsel for Sunoco, Inc

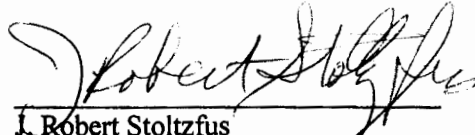
Address: 201 N. Charles St. Suite 2210 Baltimore MD 21201

Respondent's Federal Tax Identification Number: 23-1743283

The foregoing Consent Agreement in the Matter of Sunoco, Inc., Docket No. CAA-03-2015-0098 is Hereby Stipulated Agreed, and Approved for Entry.

For Complainant:

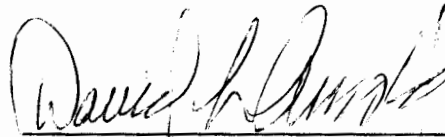
3/25/15
Date



J. Robert Stoltzfus
Senior Assistant Regional Counsel
U.S. EPA, Region III
1650 Arch Street
Philadelphia, PA 19103-2029

Accordingly, the Air Protection Division, United States Environmental Protection Agency, Region III, recommends that the Regional Administrator or his designee, the Regional Judicial Officer, issue the accompanying Final Order and thereby ratify this Consent Agreement and the terms and provisions herein.

3/26/2015
Date



David L. Arnold, Acting Director
Air Protection Division
U.S. EPA, Region III
1650 Arch Street
Philadelphia, PA 1910

**BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, PA 19103**

In the Matter of	:	
	:	Docket No. CAA-03-2015-0098
Sunoco, Inc.	:	
1735 Market Street, Suite LL	:	Proceeding Under Section 113(d)
Philadelphia, PA 19103	:	of the Clean Air Act

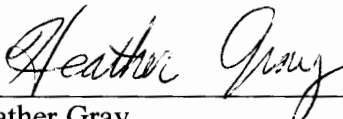
FINAL ORDER

The Preliminary Statement, General Provisions, Findings of Fact and Conclusions of Law, and other sections and terms of the foregoing Consent Agreement are accepted by the undersigned and incorporated herein as if set forth at length.

NOW THEREFORE, pursuant to Section 113 of the Clean Air Act ("CAA"), as amended, 42 U.S.C. § 7413, and 40 C.F.R. Part 22, Sunoco, Inc. is hereby ordered to pay a civil penalty in the amount Thirty-five Thousand Dollars (\$35,000). Payment of the aforesaid civil penalty shall be made within thirty (30) days of the effective date of this Final Order.

The effective date of the accompanying Consent Agreement and this Final Order is the date on which this Final Order is filed with the Regional Hearing Clerk of U.S. EPA Region III.

Date: 3-31-15



Heather Gray
Regional Judicial Officer
U.S. EPA Region III